

AIRPORT SPONSOR'S GUIDE TO PREPARING

Minimum Standards for
Airport Aeronautical Service Providers

and

Airport Operating Rules and Regulations

Produced through a cooperative effort of the

American Association of Airport Executives

and

National Air Transportation Association

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Entire Document serves as a guide and template used by many airports to create Minimum Standards.

Chapter 13 speaks to

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PREFACE

The airport owner (sponsor) of a Federally obligated airport is responsible for instituting airport Rules and Regulations for the safe operation of the airport and instituting Minimum Standards establishing the threshold entry criteria for those wishing to provide aeronautical services to the public on the airport. For those entities meeting the Minimum Standards, the airport owner will negotiate a lease with them to provide specific services in a leased area with stated facilities at an agreed upon set of rates and charges.

It has been generally acknowledged and proved by history that the development, updating, and enforcement of Minimum Standards can diminish complaints by potential or existing aviation businesses. This document was produced through the cooperative effort of the National Air Transportation Association(NATA) and the American Association of Airport Executives(AAAE) to aid and encourage the airport owners in establishing and keeping current the airport Minimum Standards and to educate managers of aviation businesses. It is highly recommended that the airport sponsor and aviation businesses establish a line of communication when Minimum Standards are developed and updated. It may be appropriate that both parties seek additional guidance from local and state organizations as well as FAA and consultants experienced in developing these standards.

The staff of AAAE and NATA appreciate all of the time and effort provided by members in developing this publication.

Airport Sponsor's Guide to Preparing Minimum Standards for Airport Aeronautical Service Providers and Airport Operating Rules and Regulations

Section 1- General

The Federal Aviation Administration (FAA) contends that it is the prerogative of the airport owner (sponsor) to impose Rules and Regulations for the operation and use of its airport and Minimum Standards to establish the threshold entry criteria for those wishing to engage in providing aeronautical services to the public on the airport. Two of the assurances given by the airport sponsor in exchange for Federal funding to assist in developing runways, taxiways, etc. at the airport address the obligation of establishing Minimum Standards. These assurances are:

1. Grant Assurance 22h - Imposes the obligation on the Airport operator to establish and enforce fair, equal and not unjustly discriminatory airport Rules and Regulations for the safe and efficient operation of the airport. Most Airport Operators codify the airport Rules and Regulations to ease enforceability. The FAA highly recommends the establishment and continual updating of the airport Rules and Regulations in the early stages of airport development.

2. Grant Assurance 22a - Imposes the obligation on the Airport operator to make the airport available for public use on fair and reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical use. It is therefore implicit upon the Airport operator, in the early stages of the airport development, to establish Minimum Standards to be met by individuals or companies wishing to come onto the airport to provide aeronautical services to the public. The FAA fully supports the early development and continual updating of the Minimum Standards.

Section 2 - Minimum Standards as Conditions on Airport Users

Minimum Standards are intended to provide the threshold entry requirements for those wishing to provide aeronautical services to the public on the airport. The Minimum Standards are established based upon the conditions at the individual airport, the existing and planned facilities at the airport, and the current and future aviation role of the airport. The prospective aeronautical service provider or fixed base operator (FBO) must agree to offer, whether specialized in services offered or providing a variety of aeronautical services, the minimum level of services in order to obtain an agreement to operate on the airport. These minimum service levels will be specifically stated in the lease agreement or operation agreement which becomes the enforcement vehicle for the airport owner. Therefore the airport Minimum Standards establish the minimum requirements to be met by individuals and companies as a condition for the privilege of providing commercial aeronautical services(s) at the airport.

1. Standards Development. Through Minimum Standards, the airport manager will:
 - a. Establish a template for safe tenant operations.
 - b. Minimize exposure to claims of discrimination or unfair treatment by providers of aeronautical activities and users.
 - c. Address environmental liability.
 - d. Assure that prospective tenants are treated equally and without unjust discrimination.

Standards provide the operating and business foundation from which the airport manager can evaluate requests of the businesses. FBO managers use the standards to develop their business plans and evaluate the potential profitability of locating at a particular airport, or renewing or expanding at an existing location.

The development of Minimum Standards is essential in the early stages of airport development even though demand for aeronautical services may not have reached a level to financially sustain an FBO based upon the activity and facilities at the airport at the time. In this case, the sponsor should establish specific Minimum Standards to be met by existing and potential FBO's. This starts the clock running on formal standards and establishes an intent to implement controls on providing commercial aeronautical services on an airport. As the airport matures, demands for services increase and FBO's enter the market, the sponsor may quite properly

increase the standards from time to time to ensure a high quality of service to the public. It is also important for established airports to have Minimum Standards.

2. Minimum Standards Review and Approval. The FAA does not officially endorse or approve Minimum Standards for their relevance or reasonableness, however, the Agency will make an official determination of their relevance or reasonableness when the effect of a standard denies access to a public-use airport. FAA's determination should be limited to a judgment as to whether failure to meet the qualifications of the standard is a reasonable basis for such denial or the standard results in an attempt by application of Minimum Standards to create a monopoly or *exclusive right*.

An airport sponsor approves Minimum Standards; but, if it does not have the support or at least the understanding of FBO's and other airport users, the consequences could lead to an adversarial relationship. Airport management would be very wise to review existing Minimum Standards and Rules and Regulations documents on a regular basis to ensure that they reflect changes in airport activity.

3. Minimum Standards as Basis for Lease Negotiations. Airport sponsors are encouraged to develop, publish, and apply Minimum Standards to be met by FBO's in advance of negotiations with any prospective tenant or FBO. A well thought out and coordinated Minimum Standards document will establish a formal basis for practical negotiations with existing and potential FBO's. The culmination of these negotiations will result in a lease and operating agreement which is the enforcement vehicle for the airport manager.

Section 3 - Provision of Aeronautical Services

Airport sponsors often debate who should provide aeronautical services on their airport. Of course, their goal is to achieve the highest level of service at the lowest possible cost to make the airport as financially self-sustaining as possible. The decision should be made depending upon the airport's role in its community. If the airport is intended to be an economic development tool, the sponsor should be prepared to put its proverbial best foot forward. In areas where the airport is essential to economic growth, yet the demand for aeronautical services and products does not produce adequate revenue to make the airport operationally self-sufficient, the sponsor may

choose to provide operational subsidy of some kind. In areas where aeronautical demand is plentiful, the sponsor may be challenged by creating an operational climate which is amenable to a number of FBO's. In any case, Minimum Standards are necessary to ensure that the FBO entry level is high enough to ensure safe, efficient and quality service at the airport.

1. Airport Sponsors as FBO's. The provision of line services; fuel and oil, aircraft parking and storage facilities, and limited minor maintenance can be provided by a sponsor using its own equipment and employees. This may be an option when lack of demand for products and services require the sponsor's financial subsidization of airport operations, maintenance and services. Of course, this depends on market demand for products and the level of service the sponsor wishes to maintain at its airport to enhance its appeal to business aviation.

The fuel sales operation is critical in the array of services provided by an FBO because these revenues cover much of the overhead. If a sponsor chooses to provide such services, it must be sensitive to existing private FBO's who provide fuel servicing because they are in direct competition with the private operator or the sponsor may prevent the FBO from providing this vital service.

2. Private FBO as an Agent Manager. Basic aeronautical services may be provided at small airports by a privately-owned FBO with an understanding that the FBO also provide a broad range of airport maintenance, operations and management responsibilities. This is commonly referred to as an agent relationship and should be conducted under a separate written agreement specifically identifying the agent's duties and responsibilities and related compensation for those duties and responsibilities. An agent is a privately owned and operated FBO which not only conducts its profit-oriented business, but also represents the airport sponsor as its airport manager. As demand for products and services grow under this arrangement and other parties desiring to provide aeronautical services enter the airport, the sponsor would be wise to consider the employment of professional management.

Section 4 - Affect of Minimum Standards on Airports and FBO's

Minimum Standards affect the operation of airports and FBO's. Sponsors should be familiar with these effects as they formulate standards and/or regulations. Here are a few examples.

1. Affect on Airport Management. Implementation of airport Minimum Standards will assist airport management by:

- a. Establishing uniform requirements and their application to all prospective operators.
- b. Maintaining compliance with federal and state grant assurances.
- c. Maintaining the orderly and efficient development of an airport and the airport's commercial aeronautical services.
- d. Establishing a consistent level for entry into an aeronautical service.
- e. Avoiding conflicts and relieving political pressures.

2. Affect on Fixed Base Operators. Implementation of airport Minimum Standards will assist privately-owned and operated Fixed Base Operators by:

- a. Establishing balanced, fair, and consistent entry level requirements for all aeronautical services (a level playing field).
- b. Allowing the airport to develop to its full potential to enhance business and customer demand for products and services.
- c. Avoid conflicts with airport management, sponsors and other FBO's.
- d. Establish basis for business plan.

Section 5 - Airports and FBO's Have Different Needs

While many airports are similar, seldom are two exactly alike in terms of facilities, services, and activities. For this reason, it is impossible to prepare a single set of standards or requirements that can be adopted by any airport regardless of its role in the community or its size and activity.

1. Facility Size Considerations. The community airport can vary in size and activity, including the number of based and itinerant aircraft. This fact makes it impractical to recommend minimums for basic leasehold or building sizes. When possible, management should resist the establishment of facility or leasehold size requirements. An FBO's needs should dictate the size and location of its leasehold or facility. On the other hand, airport management must be sensitive to the competitive nature of FBO's providing the same or similar products and services. An airport's level of activity may dictate that airport management establish minimum size and service level requirements to ensure that subsequent new-entry FBO's will be required to make an entry level investment in facilities on similar sized leaseholds based on the level of service and products the entrant is required to provide. In other words, management should consider an FBO's investment in its own facilities and equipment on the airport; the overall menu of products and services provided; and the FBO's facility needs to make those products and services available to the public.

2. Sensitivity Check. Different needs may require variations in rates and charges. This can become a sticky issue especially when airport management or the sponsor decides it is time to introduce competition on the airport. Imagine what would happen if an existing FBO, which has worked closely with an airport sponsor and manager to develop the airport into a first class facility, discovers that the airport manager is negotiating a small, less costly leasehold or facility to a competitor which plans to provide identical products and services as the existing FBO. Overall, when adopting Minimum Standards, the airport sponsor should bear in mind that the standards should:

- a. Attempt to ensure adequate services and facilities provided by the FBO meet the needs of the airport users.
- b. Encourage development of the airport and its activity.
- c. Be sensitive to the total investment or expenditure required to meet the standards.¹
- d. Always be coordinated with airport FBO's and tenants.
- e. Be sensitive to the awesome power of politics.

¹ It is easy to inadvertently require an unreasonable and non-economically feasible investment of an FBO.

Grant obligations involve several distinct requirements. The following issues are most often referred to as lease negotiations.

1. Airport Use and Availability. The sponsor of any airport developed with Federal grant assistance is required to operate it for the use and benefit of the public and to make it available to all types and kinds of aeronautical activity on fair and reasonable terms and without unjust discrimination. (Airport sponsors should develop Minimum Standards and airport rules & regulations as if they were going to be required to adhere to them.) However, the obligation of a sponsor to make the airport available for public use does not preclude the sponsor from recovering the cost of providing the facilities which includes all capital investments.

2. Terms Imposed on FBO's and Airport Users. The terms imposed on those who use the airport and its services, *including rates and charges*, must be fair, reasonable, and applied uniformly without unjust discrimination, whether by the sponsor or an FBO who has been granted rights to offer services or commodities normally required at an airport. Furthermore, each FBO at any airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other FBO *s making the same or similar uses of such airport using the same or similar facilities*. It is suggested that airport sponsors consider the following points very carefully when they are negotiating with a prospective FBO who meets the current Minimum Standards.

a. Investment. An investment by a new entrant in the same or similar services as provided by an incumbent should not be allowed to put the incumbent in an inferior economic position by virtue of the leasehold cost (rent vs. amortization of investment). If one FBO rents office and/or hangar space and another builds its own facilities, this would provide justification for a differential rental and fee structure. These two FBO's would not be considered the same or similar for the calculation of rates and charges even though they offer the same services to the public. The same holds true for other facilities in which an FBO may invest.

b. Location. If an FBO is located in what is considered to be a prime location on the airport and another FBO is in a less advantageous area, there could be an incremental differential in fees and charges to reflect an advantage of location. Airport

management must always be visionary with regards to the airport's development. To assist in this endeavor, managers should continually refer to the airport master plan and use the airport layout plan (ALP) as a basic planning guide for approval and to locate FBO leaseholds and facilities. They must always consider the important role that FBO's have in the development and economic well-being of their airport. Master plan documents can be very useful as land use documents which identify specific areas for the location of FBO's and ensures an appropriate level of FBO capacity.

c. Services. If an FBO is providing primary commercial services² and another FBO is conducting a flight training program, or aircraft sales, or a specialty service such as avionics repair, these FBO's may not be considered essentially similar. In this case they may have dissimilar requirements placed upon them with regard to space or facility size, building construction³, or location. Different rates may be applicable, although the rates must be equitable.

3. Negotiation is Key. The best way to establish fair and reasonable fees, rentals and other user charges is the old fashioned way -- *negotiation*. There are many activities an FBO can perform for an airport sponsor in kind that will reduce expenses for both parties and establish a good working relationship between all parties. However, it is ultimately the sponsor's responsibility under the obligations to make the airport as self-sustaining as possible. It is also the sponsor's responsibility to ensure that the rates and charges are fair and uniformly applied. (A guide for airports rates and charges is available through the National Air Transportation Association [NATA]).

4. Use the Golden Rule. When developing Minimum Standards or any other regulatory document or order, the sponsor must apply the Golden Rule. The sponsor must keep in mind that FBO's do not use revenue from tax bases. The terms and conditions which the sponsor imposes on FBO's that are related to aeronautical activity can be costly; therefore, the sponsor must be fair and reasonable and apply the Minimum Standards evenly and negotiate the

² For Example: The sale of aviation fuel and oil; provision of tie down and aircraft parking and storage facilities; ramp services; and some capability for minor aircraft repairs.

³ Some minimum standard documents establish facility construction and design standards. For example, to maintain a certain architectural design standard, some airports do not allow the construction of wood buildings and dictate exterior colors and design style.

rates and charges without discrimination.

Section 7 - Exclusive Rights

The sponsors of airports developed with public funds are obligated to make all airport facilities and services available on fair and reasonable terms without unjust discrimination. This covenant enjoins the sponsor from granting any special privilege or monopoly in the use of public-use facilities. So, the grant of an exclusive right to provide aeronautical services at an airport on which Federal funds have been expended is specifically forbidden. This is established on the premise that the existence of exclusive rights to conduct an aeronautical activity at an airport limits the usefulness of the airport and deprives the using public of the benefits of a competitive enterprise. Exclusive right prohibitions are applicable for as long as the airport is operated as an airport.

1. Single Activity. A single activity at an airport will not be considered an exclusive right. In many instances, the volume of business may not be sufficient to attract more than one FBO. So, as long as the *opportunity* to engage in an aeronautical activity is available to those meeting reasonable qualifications and Minimum Standards relevant to such activity, the fact that only one FBO takes advantage of the opportunity does not constitute the grant of an exclusive right.

2. Single Activity Due to Space Limitations. Leasing of all available airport land and improvements to one FBO may be construed as evidence of an intent to exclude others, unless:

- a. It can be demonstrated that the entire leased area is presently required and will be immediately used to conduct the activities contemplated by the lease.
- b. Restrictions on the lease of the entire airport include the following conditions.

- (1) The lessee agrees to operate the airport in accordance with the obligations of the lessor under the Federal Grant Agreements.

- (2) It is specifically understood that nothing contained in the written

lease agreement construes an exclusive right.

(3) The lessor (airport sponsor) reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent the lessee from constructing anything on the airport which would limit its usefulness or constitute a hazard to aircraft.

(4) The lessor reserves the right to develop or improve the airport as it sees fit regardless of the desires or views of the lessee or second party and without interference or hindrance on the part of the lessee.

(5) The written lease agreement shall be subordinate to the provisions of any existing or future agreement entered into between the lessor and the United States to obtain federal aid for the improvement or operation and maintenance of the airport.

3. UNICOM as an Exclusive. The Federal Communications Commission (FCC) will not license more than one UNICOM station at the same airport. An FBO having a UNICOM has some advantage over competitors in attracting aeronautical users, however, FCC Regulations require the UNICOM operator to announce all services available on its airport. This situation may give the appearance of an exclusive right, but since it is not within the airport owner's control, it does not constitute an exclusive right. The Airport Sponsors should make every attempt to obtain the UNICOM license in their own names; then, through "drop lines" (UNICOM frequency receivers only), each FBO can be provided all FBO's with access on an equal basis. In some cases, FCC will allow an FBO to have support facilities (discrete frequencies) to be used within its business.

4. Aeronautical Activities Conducted by the Sponsor. As discussed earlier, the sponsor may elect to provide any or all of the aeronautical services needed by the public at the airport. The statutory prohibition against exclusive rights *does not* apply to sponsors. This type of arrangement is referred to as a Proprietary Exclusive. However, the sponsor must engage in these activities using its own resources to include employees and equipment. (An independent FBO that has been designated as an agent of the sponsor may not exercise nor be granted an exclusive right.)

When a sponsor elects to provide fuel service, whether on an exclusive or nonexclusive basis, it may not refuse to permit an individual, air carrier, air taxi, or flight school from refueling

its own aircraft; however, if the sponsor elects to retain the proprietary exclusive right to sell fuel, it can prevent an individual, airline, air taxi, or flight school from selling fuel to others, but it must deal reasonably to permit such FBO's to refuel their own aircraft with their own employees and equipment. In turn, the sponsor may establish standards covering the refueling, washing, painting, repairing, etc. of aircraft, but it may not refuse to negotiate for the space and facilities needed to meet such standards by an FBO offering services to the public.

Section 8 - Rules and Regulations

As discussed earlier, the implementation of Rules and Regulations in addition to Minimum Standards does provide the airport sponsor with added control to restrict certain activities as necessary for the safety, preservation of facilities and protection of public interests. Among those activities are:

1. The use and storage of paints, dopes, and thinners.
2. Storage and transport of aviation fuels and self-fueling.
3. Restraints on the use of washing solvents.
4. Weight limitations on trucks and other vehicles using airport roads and paved areas as well as aircraft weight limitations on runways, taxiways and aprons.
5. Time limits on clearing non-airworthy aircraft, wreckage, or unsightly major components.
6. Environmental restrictions and protections.
7. Restraints on non-aeronautical vehicle parking and storage on the airport.
8. The operation and storage of fueling vehicles and equipment on the airport.
9. On-airport traffic rules.

Section 9 - Restrictions on Self-Service

Where no attempt has been made to perform services for others, aircraft owners should be permitted to fuel, wash, repair, paint and otherwise take care of their own aircraft, subject to compliance with all applicable laws, Rules and Regulations. To unreasonably restrict such activity by the Rules and Regulations would be a violation of Federal Grant Assurances. Therefore, servicing one's own aircraft is not an aeronautical activity that can be preempted by the airport sponsor which elects to exercise the proprietary exclusive right to sell fuel.

1. Fees. The sponsor may not impose unreasonable restrictions on aircraft operators to procure parts, supplies, or services from specified sources, however, it can require self-fuelers (both individuals and FBO s) to pay fuel flow fees similar to FBO s on the airport who provide fueling services to the public.

2. Controls. The sponsor may also exercise another important and powerful influence on how self-fueling is conducted -- Rules and Regulations. For example, an airport sponsor is under no obligation to permit aircraft owners to allow on the airport any equipment, personnel or practices which would be unsafe, unsightly, detrimental to the public welfare, or which would affect the efficient use of airport facilities by others. This means that Rules and Regulations may be adopted that could restrict an aircraft owner desiring to perform self-service from storing his fueling equipment and apparatus, painting equipment and supplies, repair equipment, etc. on airport land in the interest of safety and environmental concerns (public welfare) not to mention the fact that the storage of such equipment may be unsightly. Unless the aircraft owner is in a position to meet such standards with his own equipment and employees, his right to service his own aircraft does not override the prerogative of the airport owner to control the sources of providing fueling and other aeronautical services.

Section 10 - Co-op Fueling

Airport sponsors are under no obligation to recognize a co-op (an organization formed by several aircraft owners for self-fueling purposes) as a self-fueling privilege.

Section 11 - Flying Clubs

Flying clubs are nonprofit entities organized for the express purpose of providing its members with any number of aircraft for their personal use and enjoyment only. Aircraft must be vested in the name of the club or owners on a pro-rata share. The club may not derive greater revenue from the use of the aircraft than the cost to operate, maintain and replace the aircraft. A flying club qualifies as an individual under the grant assurances and, as such, has the right to fuel and maintain the aircraft with its members. The sponsor has the right to require the club to furnish documents such as insurance policies, and maintain a current list of members as reasonably necessary to ensure that the club is a nonprofit organization rather than an FBO masquerading as a flying club. Because Flying Clubs are not commercial FBO's, their regulation should not be attempted through airport Minimum Standards. Regulation of such activity should be through airport Rules and Regulations.

Section 12 - Disagreements and Disputes

There will be times when the airport sponsor and tenants will not agree on the application of certain Minimum Standards and rules & regulations. When this happens, sponsors are encouraged to do everything possible to come to an amenable agreement to include mediation.

Mediation is the intervention of a third party in a facilitating role in the dispute resolution process. It, like arbitration, is a means of alternative dispute resolution. Mediation should be sought by those who want to maintain a business relationship with an adversary with a good faith desire to end differences. It will not work where litigation is being used as an economic weapon or where animosity is significant. The advantages of mediation are that it is quick and inexpensive, less adversarial, and the parties maintain control. There are two basic forms of mediation: (1) Interest Mediation is not used for seeking justice but to reach a settlement; (2) Evaluation Mediation evaluates strengths in the relationship and predicts the outcome. Mediation should be specifically addressed in the initial contract between parties. The type of issues that are best subject to mediation are:

- a. Interpretation issues.
- b. Damages issues.
- c. Anything susceptible to compromise; not a win / lose issue.

Do not let a disagreement or dispute linger because they get more intense and, worse yet, receive public attention. An airport is one public entity that does not need a negative public display. A public dispute makes both sides look bad, creates negative feelings by the community toward the airport (which does neither party justice), and creates tension within the local aviation community.

Section 13 - The Myth About Federal Grant Assurance Compliance

The airport sponsor should keep in mind that the safe and efficient operation of its public facility remains its paramount responsibility. In this case, sponsors should carefully weigh the consequences of the minimum standard's and rules & regulation's affect on an FBO or airport tenant and then hold its ground. In no case should a sponsor be intimidated by formal complaints to the Federal Aviation Administration (FAA) or other governmental agency. It is not unusual for someone to suggest that the airport sponsor is not in compliance with a federal grant assurance and then go on to say that the sponsor will lose federal financial support as a result. Regardless of the situation, *this simply is not the case.*

1. When Problems Arise. When problems arise, sponsors and FBO's should contact a compliance officer at their FAA Airports District Office (or Field Office), FAA region, or FAA Headquarters for assistance. Each of these organizations is subordinate to the next, so contacting them in the order presented makes the chance of a speedy resolution much better. The noncompliance process is administrative and can be quite lengthy if the complainant presents numerous nonspecific charges hoping that one of them will stick. If the complainant presents its case in a focused, objective manner concerning a specific charge, the chances of receiving a swift response and resolution is enhanced.

2. Noncompliance Actions by FAA. If the FAA finds that a sponsor has acted in contravention to its grant assurances, the sponsor will receive plenty of time and consideration to correct the situation. Beyond popular belief, the sponsor would not lose federal funding assistance or be forced to reimburse FAA for all previous funding grants in response to a letter of noncompliance from FAA. Loss of federal funding assistance is a last resort and comes with plenty of notice and coordination on the part of FAA.

3. Politics. If politicians are involved in the complaint process, a good defense is a good offense, i.e., keep them informed. In all cases be above board, and if the sponsor or FBO recognizes a wrongdoing or mistake on their part, the very best thing to do is admit it immediately, correct the error, and move onto the more important matters of operating an airport or running a business.

4. Who's in Charge. FBO's must realize that the sponsor is the owner and operator of a public facility. It is responsible for the safe and efficient operation of the airport and must make decisions that will not always favor one FBO or another. Among the most common complaints received by FAA from FBO's is that a sponsor is being unfair, unreasonable, arbitrary, discriminatory and capricious in establishing or enforcing Minimum Standards and rules & regulations. This is especially true of Minimum Standards concerning public fueling or rules & regulations concerning self-fueling because fueling is the most lucrative profit (or savings) center an FBO or aircraft operator might have.

5. Equal Treatment. Normally, the FAA will not question the fairness of practices or rates and charges unless complaints have been made alleging that specific practices are unfair etc. Before an investigation is initiated by the FAA, the charge should be supported by factual written evidence produced by the complainant. An allegation supported only by the words unfair, capricious, discriminatory, and unreasonable is not focused and is not a true complaint. If a complaint is expected to be considered properly, it must be factual and specific. The complainant should focus on the problem and be precise in its explanation; explain why he or she feels a certain action is unfair or unreasonable; and provide as much background and supporting material as possible. Perhaps a closer look at the definitions of these words would assist in clarifying a position⁴. Note that the words all point to one edict: Equal treatment.

The conditions imposed by an airport sponsor through its Minimum Standards must be relevant to the proposed activity, reasonably attainable, which means that the Minimum Standards should not be impossible or beyond the physical or financial means of those it impacts, and uniformly applied. The latter, *uniform application*, is the most important factor in using Minimum Standards, right behind enforcement of the airport rules & regulations and the terms of

⁴ Webster's Definitions

Capricious: inconsistent

Fair: impartial

Equal: uniform or evenly distributed

Reasonable: governed by debate

Discriminatory: treat differently

the leases.

Section 14 - Enforcement is Essential

“Buy in” to the Minimum Standards and rules & regulations by the political entity governing the airport is crucial to successful implementation. Most airport sponsors will codify their airport rules & regulations and some will even codify their Minimum Standards to ease enforceability. However accomplished, the Minimum Standards and rules & regulations are vulnerable to challenge if not enforced fairly. Selective enforcement of Minimum Standards has led to many formal FAA complaints. Any business operator who is making an investment on an airport deserves the continuity of fair enforcement. Standards and regulations that are not uniformly enforced may cause more problems than they solve. As a sponsor considers Minimum Standards and airport rules & regulations, it must consider the uniform application and the impact that politics and economics might play on them.

Section 15 - Summary

The introduction of airport Minimum Standards and Rules and Regulations on an airport bring with them a tremendous responsibility to the airport sponsor. The sponsor must continuously strive to work closely with FBO s and individual airport users to ensure that the rules & regulations are enforced and the Minimum Standards are fairly applied. A sponsor must plan airport facility development carefully and be cautious in undertaking developmental projects. It must be cautious in accruing debt because debt always impacts its tenants. The sponsor must always be conscious of the FBO’s needs to operate efficiently, to make reasonable profits, to provide safe, quality products and services to the public; and to return to the airport the revenues it takes to operate the facility.

A sample document entitled Minimum Standard Requirements for Airport Aeronautical Services is enclosed as APPENDIX A. Airport sponsors are encouraged to use this sample as a guide when formulating Minimum Standards for aeronautical services.

SAMPLE DOCUMENT

MINIMUM STANDARD REQUIREMENTS FOR AIRPORT AERONAUTICAL SERVICES

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Section 1 Preamble and Policy

The _____ Airport Authority being the Owner and in a position of responsibility for the administration of the _____ Airport does hereby establish the following Policy for the Minimum Standards:

The Minimum Standards are intended to be the threshold entry requirements for those wishing to provide aeronautical services to the public and to insure that those who have undertaken to provide commodities and services as approved are not exposed to unfair or irresponsible competition. These Minimum Standards were developed taking into consideration the aviation role of the _____ Airport, facilities that currently exist at the Airport, services being offered at the Airport, the future development planned for the Airport and to promote fair competition at _____ Airport. The uniform application of these Minimum Standards, containing the minimum levels of service that must be offered by the prospective service provider, relates primarily to the public interest and discourages substandard entrepreneurs, thereby protecting both the established aeronautical activity and the _____ Airport patrons.

Section 2 - Definitions

Aeronautical Activity - means any activity conducted at airports which involves, makes possible or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, air taxi and charter operations, pilot training, aircraft renting, sightseeing, aerial photography, crop dusting, aerial advertising, aerial surveying, air carrier operations, skydiving, ultralight operations, aircraft sales and services, sale of aviation petroleum products, repair and maintenance of aircraft, or sale of aircraft parts and aircraft storage.

Aeronautical Service means any service which involves, makes possible or is required for the

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operation of aircraft, or which contributes to or is required for the safety of aircraft operations commonly conducted on the airport by a person who has a lease from the airport owner to provide such service.

Airport means the (airport name) airport, and all of the property, buildings, facilities and improvements within the exterior boundaries of such airport as it now exists on the Airport Layout Plan or Exhibit A or as it may hereinafter be extended, enlarged or modified.

FAA means the Federal Aviation Administration.

FAR means Federal Aviation Regulation.

FBO means any aviation business or Fixed Base Operator duly licensed and authorized by written agreement with the airport owner to provide aeronautical activities at the airport under strict compliance with such agreement and pursuant to these regulations and standards.

Flying Club means a non-commercial organization established to promote flying, develop skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques. See the Airport Rules and Regulations for requirements.

Fuel: As defined in an operator's lease agreement.

Fueling Operations means the dispensing of aviation fuel into aircraft.

Fuel Vendor means an entity engaged in selling or dispensing aviation fuel to aircraft other than that owned or leased by the entity.

Fueling Operations Permit means a permit issued by the airport manager to a person or entity who dispenses aviation fuel at _____ Airport (see Airport Rules and Regulations for requirements and procedure). There are two types: (1) Fuel Vendor's Permit; and (2) Self-fueling Permit.

Landside means all buildings and surfaces on the airport used by surface vehicular and pedestrian

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traffic.

Large Aircraft is an aircraft of more than 12,500 pounds maximum certified takeoff weight or turboprop and turbojet aircraft.

Lease (pertaining to the lease of aircraft by an aeronautical activity) means a long-term written agreement established on a minimum basis of six (6) months wherein the lessee shall have full control over the scheduling and use of aircraft and the aircraft is insured as required by these Minimum Standards for the use of the aircraft by Lessee. (Also referred to as aircraft lease-back.)

Manager means the Airport Manager or his/her designee.

Minimum Standards means the standards which are established by the airport owner as the minimum requirements to be met as a condition for the right to conduct an aeronautical activity on the airport.

NFPA means the National Fire Protection Association.

NOTAM means a Notice to Airmen published by the FAA.

Owner - means the _____ Airport Authority, airport sponsor, or group providing anyone or a combination of aeronautical services to or for aviation users at the Airport.

Person means an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity.

Ramp Privilege means the driving of a vehicle upon an aircraft parking ramp on the airside of the airport to deliver persons, cargo or equipment to an aircraft as a matter of convenience or necessity. See Airport Rules and Regulations for requirements and procedure.

Self-fueling operator means a person who dispenses aviation fuel to aircraft owned by such

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person, or leased from others and operated by such person. See Airport Rules and Regulations for requirements and procedure.

Small Aircraft is an aircraft of 12,500 pounds or less maximum certified take-off weight.

UNICOM means a non-governmental communication facility which provides airport advisory information.

Section 3 - Minimum Standards for All FBO's

The following shall apply to all prospective aeronautical service providers wishing to become FBO's at the _____ Airport:

1. Leases shall be for a term to be mutually agreed upon between the parties with due consideration for the financial investment and the need to amortize improvements to the leasehold.
2. A person shall have such business background and shall have demonstrated his business capability to the satisfaction of, and in such manner as to meet with the approval of the Airport authority.
3. Any prospective FBO seeking to conduct aeronautical activity at the airport should demonstrate that they have adequate resources to realize the business objectives agreed to by the Anytown Airport Authority and the applicant.
4. The prospective FBO shall lease from the Owner an area of not less than _____ square feet of ground space to provide for outside display and storage of aircraft and on which shall be erected a building to provide or is an existing building that provides at least _____ square feet of floor space for aircraft storage and at least _____ square feet of floor space for office, customer lounge and rest rooms, which shall be properly heated and lighted, and shall provide public telephone facilities for customer use. The FBO shall also provide, on the leased area, paved parking for the FBO's customers and employees.

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5. The prospective FBO shall have his premises open and services available _____ hours, _____ days a week, and shall make provision for someone to be in attendance in the office at all times during the required operating hours.
6. All prospective FBO's shall demonstrate to the _____ Airport authority's satisfaction evidence of its ability to acquire insurance coverage as stipulated for each particular type of operation. An FBO should make its own analysis to determine if more is needed. However, such policies of insurance shall be maintained in full force and effect during all terms of existing leases, agreements or business licenses or renewals or extensions thereof with a 30-calendar day notice of cancellation to _____ Airport Authority. Such policies shall not be for less than the amounts listed at **APPENDIX 1**; however, in all cases, amounts of policies must meet the statutory requirements of applicable governmental agencies and be approved in writing by the _____ Airport authority.

Section 4 - Application and Qualifications

Demonstration of intent to conduct a business operation at the Airport shall be by application to the Anytown Airport Authority. The written application shall contain at the minimum:

1. The proposed nature of the business. A business plan may be used to express the proposed nature of the business. (See a business plan outline at **APPENDIX 2** .)
2. The signatures of all parties whose names are being submitted as owning an interest in the business or will appear on leases or other documents as being a partner, director or corporate officer and those who will be managing the business.
3. The current financial statement prepared or certified by a Certified Public Accountant.
4. A listing of assets owned, or being purchased, or leased which will be used in the business on the Airport.
5. A current credit report for each party owning or having a financial interest in the business

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and a credit report on the business itself covering all geographical areas in which it has done business in the ten-year period immediately prior to such application.

6. An agreement to provide a bond or suitable guarantee of adequate funds to the _____ Airport Authority to be used to defray any expenses and fees normally paid by the Lessee between the estimated time the Lessee may default and a new lease is executed and another Lessee takes over.
7. A written authorization for the FAA, any aviation or aeronautics commissions, administrators, and departments of all states in which the applicant has engaged in aviation business to release information in their files relating to the applicant or its operation. The applicant will execute such forms, releases, or discharges as may be required by those agencies.
8. Preliminary plans, specifications and dates for any improvements which the applicant intends to make on the Airport as part of the activity for which approval is sought. Applicant must comply with appropriate Review Procedures and the _____ Airport Authority requirements.
9. Proof (copy or insurance company letter of intent) of liability coverage for the business operation, flight operations, itinerant aircraft and operators and premises insurance.
10. Such other information as the _____ Airport Authority may require.

Section 5 - Action on Application

All applications will be reviewed and acted upon by the _____ Airport Authority within 90 days from the receipt of the application. Applications may be denied for one or more of the following reasons:

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1. The applicant does not meet qualifications, standards and requirements established by these Minimum Standards.
2. The applicant's proposed operations or construction will create a safety hazard on the Airport.
3. The granting of the application will require the expenditure of local funds, labor or materials on the facilities described in or related to the application, or the operation will result in a financial loss to _____ Airport Authority.
4. There is no appropriate or adequate available space or building on the Airport to accommodate the entire activity of the applicant.
5. The proposed operation, Airport development or construction does not comply with the approved Airport Layout Plan.
6. The development or use of the area requested will result in a congestion of aircraft or buildings, or will result in unduly interfering with the operations of any present fixed base operator on the Airport, such as problems in connection with aircraft traffic or service, or preventing free access and egress to the existing fixed base operator area, or will result in depriving, without the proper economic study, an existing fixed base operator of portions of its leased area in which it is operating.
7. Any party applying, or interested in the business, has supplied false information, or has misrepresented any material fact in the application or in supporting documents, or has failed to make full disclosure on the application.
8. Any party applying, or having an interest in the business, has a record of violating the Rules, or the Rules and Regulations of any other Airport, Civil Air Regulations, Federal Aviation Regulations, or any other Rules and Regulations applicable to this or any other Airport.

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9. Any party applying, or having an interest in the business, has defaulted in the performance of any lease or other agreement with the _____ Airport Authority or any lease or other agreement at any other airport.
10. Any party applying, or having an interest in the business, is not sufficiently credit worthy and responsible in the judgment of the _____ Airport Authority to provide and maintain the business to which the application relates and to promptly pay amounts due under the FBO lease.
11. The applicant does not have the finances necessary to conduct the proposed operation for a minimum period of six months.
12. The applicant has committed any crime, or violated any local ordinance rule or regulation, which adversely reflects on its ability to conduct the FBO operation applied for.

Section 6 - Aircraft Sales

Statement of Concept

1. **New Aircraft Sales:** An aircraft sales FBO engages in the sale of new aircraft through franchises or licensed dealerships (if required by local, county or state authority) or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or used aircraft; and provides such repair, services, and parts as necessary to meet any guarantee or warranty on aircraft sold.
2. **Used Aircraft Sales:** Many companies engage in the purchasing and selling of used aircraft. This is accomplished through various methods including matching potential purchasers with an aircraft (brokering), assisting a customer in the purchase or sale of an aircraft, or purchasing used aircraft and marketing them to potential purchasers. In many cases these FBO's also provides such repair, services, and parts as necessary to support the operation of aircraft sold. Some of the requirements may not be appropriate to the sale of used aircraft because of

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each aircraft's unique operational history.

Minimum Standards

1. The FBO shall provide necessary and satisfactory arrangements for repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty period. The FBO shall provide an adequate inventory of spare parts for the type of new aircraft for which sales privileges are granted. The FBO who is engaged in the business of selling new aircraft shall have available a representative example of the product.
2. The FBO shall have in his employ, and on duty during the appropriate business hours, trained personnel in such numbers as are required to meet the Minimum Standards set forth in an efficient manner. The FBO shall also maintain, during all business hours, a responsible person in charge to supervise the operations in the leased area with the authorization to represent and act for and on behalf of the FBO, and provide check ride pilots for aircraft sold.

Section 7 - Aircraft Airframe, Engine and Accessory Maintenance and Repair

Statement of Concept

An aircraft airframe, engine and accessory maintenance and repair FBO provides one or a combination of airframe, engine and accessory overhauls and repair services on aircraft up to and may include business jet aircraft and helicopters. This category shall also include the sale of aircraft parts and accessories.

Minimum Standards

1. The FBO shall provide sufficient equipment, supplies, manuals and availability of parts equivalent to that required for certification by the FAA.
2. The FBO shall have in his employ, and on duty during the appropriate business

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hours, trained personnel in such numbers as are required to meet the Minimum Standards set forth in this category of services in an efficient manner, but never less than one person currently certificated by the FAA with ratings appropriate to the work being performed and who holds an airframe, power plant or an aircraft inspector rating.

Section 8 - Aircraft and/or Ultralight Vehicle Lease and Rental

Statement of Concept

An aircraft and/or ultralight vehicle lease or rental FBO engages in the rental or lease of aircraft and/or ultralight vehicle to the public.

Minimum Standards

Aircraft:

1. The FBO shall have available for rental, either owned or under written lease to FBO, _____ certified and currently airworthy aircraft, _____ of which must be a four-place aircraft, and _____ of which must be equipped for and capable of flight under instrument weather conditions.

2. The FBO shall have in his employ and on duty during the appropriate business hours, a minimum of one person having a current FAA commercial pilot certificate with appropriate ratings, including instructor rating.

Ultralight Vehicles:

1. The FBO shall have available for rental, either owned or under written lease to the FBO, one approved two-place ultralight vehicle.

2. The FBO shall have in his employ and on duty during appropriate business hours, a minimum of one person having a current FAA commercial pilot certificate or an Advanced Flight

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Instructor's (AFI) rating from the United States Ultralight Association (USUA).

Section 9 - Flight Training

Statement of Concept

A flight training FBO engages in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved.

Minimum Standards

1. The FBO shall have available for use in flight training, either owned or under written lease to FBO, properly certificated aircraft, _____ of which must be a four-place aircraft, and _____ of which must be equipped for and capable of use in instrument flight instruction.
2. The FBO shall have on a full-time basis at least one flight instructor who has been properly certificated by the FAA to provide the type of training offered.

Section 10 - Commercial Skydiving

Statement of Concept

A Skydiving FBO engages in the transportation of persons for skydiving, instruction in skydiving, and rental and sales of skydiving equipment.

Minimum Standard

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1. The FBO shall have available for skydiving, either owned or under written lease to the FBO, at least one property certificated aircraft.

2. The FBO operation shall meet or exceed the Basic Safety Requirements (BSR) of the United States Parachute Association (USPA), FAR 105, and related FAA Advisory Circulars. The jump plane pilot must hold a FAA commercial pilot certificate and approximately rated for the aircraft being operated.

3. The skydiving FBO shall carry the same insurance coverage and limits as any other FBO on the airport.

Section 11 - Aircraft Fuels and Oil Service

Statement of Concept

An aircraft fuels and oil service FBO provides aviation fuels, lubricants and other services supporting itinerant aircraft operations and operations of aircraft based on the airport.

Minimum Standards

Except as otherwise provided in any agreement between the FBO and the Authority, an FBO conducting aviation fuel and oil sales or service to the public on the Airport shall be required to provide the following services and equipment:

1. Appropriate grades of aviation fuel.
 - a. _____
 - b. _____
 - c. _____
2. An adequate inventory of generally accepted grades of aviation engine oil and

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lubricants.

3. Fuel dispensing equipment, meeting all applicable Federal, State, and Authority requirements for each type of fuel dispensed.

4. Proper equipment for aircraft towing, inflating aircraft tires, washing aircraft windscreens, and recharging aircraft batteries.

5. The safe storage and handling of fuel in conformance with all Federal, State, County requirements and fire codes pertaining to safe storage and handling of fuel.

6. The lawful and sanitary handling and timely disposal, away from the Airport, of all solid waste, regulated waste, and other materials including, but not limited to, used oil, solvents, and other regulated waste. The piling and storage of crates, boxes, barrels, and other containers will not be permitted within the leased premises.

7. Permanent restroom facilities for personnel and customers.

8. Auto parking for customers and employees.

9. A flight planning area with appropriate seating, work areas, communication facilities, directories and all items necessary for complete flight planning separate from other public areas.

10. A pilot lounge and waiting area for transition of air passengers to ground transportation and vice versa.

11. Adequate bonding wires will be installed, continuously inspected and maintained on all fueling equipment, to reduce the hazards of static electricity.

12. An adequate supply of properly located fire extinguishers and other precautions and/or equipment required by applicable fire codes.

13. Unless provided by the airport owner, the FBO shall have a fixed fuel storage

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system which shall contain safety fixtures and filtration systems to ensure airline-type quality. The system shall be required to have at least _____ gallons of storage for each type of fuel the FBO is required to provide. The storage system must include adequate fuel spill prevention features and containment capabilities, together with an approved fuel Spill Prevention Countermeasures and Control Plan (SPCC), as applicable.

Section 12 - Avionics, Instruments or Propeller Repair Station

Statement of Concept

An avionics, instrument, or propeller repair station FBO engages in the business of and provides a shop for the repair of aircraft avionics, propellers, instruments, and accessories for general aviation aircraft. This category may include the sale of new or used aircraft avionics, propellers, instruments, and accessories. The FBO shall hold the appropriate repair station certificates issued by FAA for the types of equipment he plans to service and/or install.

Minimum Standards

The FBO shall have in his employ and on duty during the appropriate business hours trained personnel in such numbers as are required to meet the Minimum Standards set forth in this category in an efficient manner but never less than one person who is an FAA rated radio, instrument or propeller repairman.

Section 13 - Aircraft Charter and Air Taxi

Statement of Concept

An unscheduled, or scheduled air charter or air taxi FBO engages in the business of

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providing air transportation (persons or property) to the general public for hire, on an unscheduled or scheduled basis under Code of Federal Regulations CFR 14 Part 135 of the Federal Aviation Regulations.

Minimum Standards

1. The FBO shall provide, either owned or under written lease type, class, size and number of aircraft intended to be used by the FBO, not less than _____ single-engine four-place aircraft and _____ multi-engine aircraft, both of which must meet the requirements of the air taxi commercial FBO certificate held by the FBO. The multi-engine aircraft shall be certified for instrument operations.

2. The FBO shall have in his employ and on duty during the appropriate business hours trained personnel in such numbers as are required to meet the Minimum Standards set forth in this category in an efficient manner but never less than one person who is an FAA certified commercial pilot and otherwise appropriately rated to permit the flight activity offered by FBO.

Section 14 - Aircraft Storage

Statement of Concept

An aircraft storage FBO engages in the rental of conventional hangars or multiple T-hangars.

Minimum Standards

1. The conventional hangar FBO shall have his facilities available for the tenant's aircraft removal and storage on a continuous basis.

2. The FBO shall demonstrate that it can provide sufficient personnel trained to meet all requirements for the storage of aircraft with appropriate equipment.

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Section 15 - Specialized Commercial Flying Services

Statement of Concept

1. A specialized commercial flying services FBO engages in air transportation for hire for the purpose of providing the use of aircraft for the following activities:

- a. Non-stop sightseeing flights that begin and end at the same airport.
- b. Crop dusting, seeding, spraying, and bird chasing.
- c. Banner towing and aerial advertising.
- d. Aerial photography or survey.
- e. Power line or pipe line patrol.
- f. Fire fighting.
- g. Any other operations specifically excluded from Part 135 of the Federal Aviation Regulations.

Minimum Standards

1. The FBO shall lease from the Owner and the lease shall include a building sufficient to accommodate all activities and operations proposed by the FBO. The minimum areas in each instance shall be subject to the approval of the Owner. In the case of crop dusting or aerial application, the FBO shall make suitable arrangements and have such space available in his leased area for safe loading and unloading and storage and containment of chemical materials. All FBO's shall demonstrate that they have the availability of aircraft suitably equipped for the particular type of operation they intend to perform.

2. The Owner shall set the minimum insurance requirements as they pertain to the particular type of operation to be performed. These minimum requirements shall be applicable to all operations of a similar nature. All FBO's will, however, be required to maintain the Aircraft Liability Coverage as set forth for all FBO's.

3. The FBO shall have in his employ, and on duty during appropriate business hours,

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trained personnel in such numbers as may be required to meet the Minimum Standards herein set forth in an efficient manner.

4. The FBO must provide, by means of an office or a telephone, a point of contact for the public desiring to utilize FBO's services.

Section 16 - Multiple Services

Statement of Concept

A multiple services FBO engages in any two or more of the aeronautical services for which Minimum Standards have been herein provided.

Minimum Standards

1. The FBO shall comply with the aircraft requirements, including the equipment thereon for each aeronautical service to be performed except that multiple uses can be made of all aircraft owned or under lease by FBO except aircraft used for crop dusting, aerial application, or other commercial use of chemicals.

2. The FBO shall provide the facilities, equipment and services required to meet the Minimum Standards as herein provided for all aeronautical service the FBO is performing.

3. The FBO shall obtain, as a minimum, that insurance coverage which is equal to individual insurance requirements of all aeronautical services being performed by FBO.

4. The FBO shall have in his employ, and on duty during the appropriate business hours, trained personnel in such numbers as are required to meet the Minimum Standards for each aeronautical service the FBO is performing as herein provided. Multiple responsibilities may be assigned to meet the personnel requirements for each aeronautical service being performed by the

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FBO.

Section 17 - Flying Clubs

See requirements for Flying Clubs in Airport Rules and Regulations.

Section 18 - FBO's Subleasing From Another Commercial FBO

Prior to finalizing an agreement, the lessee and sublessee shall obtain the written approval of the Owner for the business proposed. Said sublease shall define the type of business and service to be offered by the sublessee FBO.

The sublessee FBO shall meet all of the Minimum Standards established by the Owner for the categories of services to be furnished by the FBO. The Minimum Standards may be met in combination between lessee and sublessee. The sublease agreement shall specifically define those services to be provided by the lessee to the sublessee that shall be used to meet the standards.

Section 19 - Environmental

Any FBO, person, party, firm or corporation operating on this airport must comply with all federal, state and local environmental requirements.

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Minimum Insurance Policy Limits

Type of Insurance	Minimum Limits	When Needed
- Workman's Compensation	Statutory	Statutory
- Aircraft Liability	Risk Analysis	Owned or leased aircraft
- Non-owned Aircraft Liability	Risk Analysis	Flying non-owned aircraft (such as dual to owner, maintenance test & ferry flights, pilot service, sales demonstrations)
- Airport Premises Liability	Risk Analysis	Airport premises are owned or leased by tenant.
- Products & Completed Ops.	Risk Analysis	Aircraft repair or service, fuel and oil sales, aircraft sales, avionics repair, aircraft parts sales, and manufacturing.
- Builders Risk	Risk Analysis	Construction projects.
- Contractual Liability	Risk Analysis	Hold harmless and indemnification agreement is included in a lease.

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Type of Insurance	Minimum Limits	When Needed
- Hangar Keepers Liability	Risk Analysis	Non-owned aircraft are in the care, custody or control of the tenant while on the ground.
- Property Insurance for	Replacement value	Covers physical damage of lease hold premises damage to premises leased from the airport.
- Automobile Liability	Statutory minimum	Owned and non-owned licensed vehicles are driven on the airport premises.
- Chemical Liability	Usually statutory	Aerial applicators and fire bombers.
- Environmental	Risk Analysis	(Investigate state and federal limits and financial assistance.)

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Minimum Requirements for a Business Plan

1. All services that will be offered.
2. Amount of land desired to lease.
3. Building space that will be constructed or leased.
4. Number of aircraft that will be provided.
5. Equipment and special tooling to be provided.
6. Number of persons to be employed.
7. Short resume for each of the owners and financial backers.
8. Short resume of the manager of the business (if different from “g” above) including this person’s experience and background in managing a business of this nature.
9. Periods (days and hours) of proposed operation.
10. Amounts and types of insurance coverage to be maintained.
11. Evidence of the projections for the first year and the succeeding 4 years.
12. Methods to be used to attract new business (advertising and incentives).
13. Amenities to be provided to attract business.
14. Plans for physical expansion, if business should warrant such expansion.